

CZECHOSLOVAK SOURCES AND DOCUMENTS

No. 26

# “GERMAN SOCIALISM”

*as Programme of the*

## SUDETE GERMAN PARTY

By

KAREL ENGLIŠ,

*Professor of Political Economy at the Masaryk University Brno,  
and Governor of the National Bank of Czechoslovakia*

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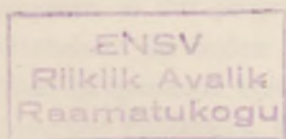
“GERMAN SOCIALISM”  
*as Programme of the*  
SUDETE GERMAN PARTY

*A Critical Analysis*

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Translated from the Czech

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EXHIBITION OF BOOKS AND DOCUMENTS

No. 10

# GERMAN SOCIALISM

as Program of the

## SUDETE GERMAN PARTY

A Critical Analysis

By

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2-244 333

Translated from the German

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## I.

### INTRODUCTION

The Sudete German Party recently sent to various quarters, to associations and private persons, a summary of the economico-political principles enunciated officially in the name of the Party at its Economic Congress held at Teplice-Šanov on the 20th of February last by the eminent economic expert of the Party *Dr. Janowsky*. We must therefore regard those principles as the basic trends of the programme of the Party. They bear the title of „*Fragen sudeten-deutscher Wirtschaftspolitik*“ (Questions of Sudete German Economic Policy). The principles there laid down are referred to as „*der sudeten-deutsche Sozialismus*“ (Sudete German Socialism). The importance acquired by the Sudete German Party for the political lead among our German minority makes it essential for the majority nation to understand their economic programme, as this programme will doubtless determine the attitude of the Sudete German Party to all economic and financial questions which will occupy the attention of both State and Parliament. We will therefore consider this programme in all seriousness and from a critical angle. We will deal with it seriously, although the tone in which this programme is couched is not always in harmony with the responsibility which such a large Party should accept towards its own people.

In order to analyse this programme properly we need,



however, in the first place *a survey of possible economic systems* so as to recognize to which system each of the ideological elements of the economic programme of the Sudete German Party belongs.\*

Following that survey we give the *precise contents of the economic programme of the Sudete German Party*. If the reader should sense a lack of logical connection in this programme the fault is hardly to be sought in the English rendering of the contents. The passages in italics coincide exactly with the original text. In some places the original German text is given, so that its effect may be direct, or it is given alongside the English rendering where a literal translation is difficult. Sentences and paragraphs are numbered in that section so as to facilitate quotation in the course of the analysis, whereas in the original they are not numbered.

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\* A more detailed account of these systems will be found in my „Soustava národního hospodářství“ (System of National Economy) 1938, a shorter one also in my „Theorie státního hospodářství“ (Theory of State Economy) 1932 — also in German — and in „O řízeném hospodářství“ (Managed Economy) 1935, published also in German, Hungarian, and Rumanian.

## II.

### POLARIZATION OF ECONOMIC AND POLITICAL SYSTEMS

There exist but a few basic orders (economic systems) under which care for the maintenance and improvement of life can proceed. Each of these orders has a series of concomitant elements from which it may be ascertained to what system they belong, just as each fraction of architectural decoration enables us to say to what style it belongs. It is possible that a certain economic order (presented by or demanded in a programme) contains elements of various systems in so far as they harmonize, and thus forms an order of mixed character. To enable us to recognize the sense of individual elements we must know the system to which they belong, and which gives them, taken as a whole, their obvious sense. It is also essential to know the fundamental system of economy if we are to understand to what extent they can be, as it were, wedged together, and when they react upon one another in disintegrating fashion, should they be merely grafted. The repartition of the economic programme of the Sudete German Party to which the Party itself gives the name of "German" Socialism calls for a short survey of the various possible economic systems (for those readers who are not acquainted with my "Theory of State Economy", or my "System of National Economy").

The basic (primordial) economic order is the *individualistic* which arises by *every man fending for himself*; every one must look after himself if no one else looks after him, and he is responsible for his own fate (merit, guilt). For this he requires *freedom* in the use of his forces and his labour and a certain *dominion over material* (individual ownership). He arranges everything to his *personal, subjective satisfaction*. Under this order exchange and money are soon created which soon divide the earnings of money *in enterprises* from the consumption of the earned money (income) *in households*. Among the individual economies *markets with their prices, rates of interest and wages*, are formed through a mutual exchange of commodities, by the borrowing of money and the providing of work, and mutual connection leads to a higher economic unit of society with its system of interchange—to a national economy. *Production* takes place *in undertakings*, consumption *in households*. Prices keep *production and consumption in equilibrium*, foster production and suppress consumption till the two are balanced. Between the millions of economic units there is *competition*, a struggle for property, capital and labour, in which victory falls to the strength and progress that drives the economic forces to the maximum of their capacity. Competition is eliminated by means of inter-economic agreements, by *syndicates* which move prices (in the wider sense) to a different point than they would stand at in the case of open competition, and more favourable for the parties participating in the syndicates. Prices lose their

balancing function and it becomes necessary, by syndicalist agreement, to accommodate the situation to that price constituent (supply or demand) which is predominant. Over and above these happenings stands the State which guards the security of society from the external angle, and sees to the "order of communications" within in both the literal and figurative senses of the word. It is an individualistic State. Vis-à-vis other States there is a free *international movement of commodities, of capital and of persons*, and consistent therewith a free system of payments (free exchange), etc. This is the *individualistic order* in the nation's care for the maintenance and improvement of life. Control of commodities and of property is in the hands of individuals as is also control over the means of enterprise which we call *capital*. Accordingly the whole system which is characterised by production through enterprises working with their own capital is called the *capitalist system* (as against the capital used in enterprise which belongs to the undertaker himself, there is borrowed money which the owner also calls capital; compared with the capital owned by the undertaker we shall call this capital *creditor's or financial capital*.)

This order of things is not the planned work of some central brain but arises *spontaneously*, and precisely for this reason this order calls itself a *natural* order, and as the advantages of this order emphasis is laid, on the one hand, upon *the liberty of the individual*, and on the other hand, upon *the maximum of productivity and economic progress* which



this order, according to its own conception and according to experience will bring. On the *moral* side emphasis is laid upon the *responsibility* of the individual for his own lot, formal equality is declared to be *justice*, and *honesty* is defined as a virtue on the principle of "do unto others as ye would they should do unto you". This is individualistic philosophy and individualistic world outlook. A *State arises out of the interests of the individual* and has no other purpose but to serve him. The individual is the real aim and centre of the world.

This individualistic-capitalist order is exposed to *criticisms of two fundamentally different kinds*.\* I would call one *internal* and the other *external*. The first issues *again from the individual* in whom it sees the aim and the starting point of everything; it would like to preserve the utmost liberty possible (in both work and consumption) for the individual, but demands *justice* for the individual. Equality in the eyes of the law (the elimination of all privileges of birth) is not in itself *justice*; it demands *economic and not juridical justice*. *Property* provides its owner with income as with work, and the distribution of property does not correspond to the merits of work (accruing as it does from inheritance or speculation), and is *unmerited income*. *Work alone* ought to be the criterion for the distribution of wealth, and since there would be no other income than that accruing from work everyone should have a *right to work*. This cannot be secured

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In so far as this order is recommended in the political sphere it is called liberalist (after the liberty which it leaves the individual), and as a policy it is called liberalist.

in a capitalist system for the reason that the elimination of income from property demands also the elimination of *private earnings* (capital), that is, the whole capitalist system.

In theory a system which would answer to this criticism and this ideal of individual justice from the angle of work might be conceived as follows: *All production and therefore the control of all present-day capitalistic wealth would have to be taken over by the State* (collectivisation—collectivism). This does not of itself express the system itself under which the State would provide production. It is natural that the State would wish to turn out all commodities in the most rational manner possible in its factories, but that is a task for a perfect working technique. The first question would be *what to make*. *Whatever people would wish to have and to buy*, as hitherto, according to their subjective assessment, that is, the amount and the kind of commodities as would correspond to the demand of individuals. *Each of course would have to pay the full actual cost*. The State would thus not direct production according to some scheme of national benefit or profit, which it would not have, but its task would consist in seeing that it *turned out as much of each commodity as should be demanded of it by purchasers*. *The price, however, would be determined only by the amount of work* (say the number of working hours) *spent on it*. Every person would have an *income expressed in the number of hours worked*, and *prices too would be expressed in the same units*. The amount of earnings in the hands of the workers



would be precisely equivalent to the amount of commodities in the stores and State shops. Through the consumption of income (by expenditure on purchases) these commodities would pass from the stores to the households, and income would disappear. Thus *equilibrium in general* would be attained. Equilibrium, however, is essential in the output of the *various commodities*. The State would see to it that it did not produce more of some commodity than was demanded (this would be seen from the state of the stores), or vice-versa. According to this, *labour would have to be moved about*. Nobody would thus have any *right* to certain work, but only to work generally, and would have to content himself with the job he got. *There would be no duty to work* (in practice people would be compelled to work as they would have no other income), there would be only a *right to work but there would be no choice of work, work would be dictated*. Labour rights such as an individualistic system recognizes would no longer be complete, but there would remain *freedom of consumption* (free choice of commodities). *Commodities purchased for consumption* would thus be *in the full ownership of individuals, commodities serving the process of production would be in collective ownership*.

Such would be a *national cooperative system*. It would again serve the *individuals* and their *subjective interests*, and in this sense would be *individualistic*, but it would serve them by means of a *common collective technical system of production* which would exclude yield from capital apart from work, and

would ensure *labour the right to a full yield from its work*. But the collectivisation of production and its media of operation is opposed to capitalist production and individual ownership, and a *national cooperative system* represents *collectivism as against individualism*. This is no real antithesis, however, since every individual continues to be the subject of his own care for himself, he is responsible for his fate (if he does not work he has nothing), he is a free agent in respect of consumption, is the owner of the commodities which meet his consumption, he is not legally compelled to work, but if he desires the work to which he has a right, he has no liberty of choice of his job. In this system the price of a product does not determine the value of the work, but *the amount of work determines the price of the product*. This system lays upon the State the purely technical task of maintaining equilibrium between consumption and production, and of providing this in the most rational manner possible. The system therefore presents itself under the title of *technocracy*. It has one difficulty, however; *that of finding a unit to measure the work which is to serve as the basis for the reward to paid for work*. The impossibility of finding such a unit makes the whole system impossible.

Thus from internal criticism of individualism and from a search for justice for the individual there arises the *national cooperative system* which is connected with collectivism of production and of the media of production but signifies a certain *method of equilibrium in production to the exclusion of capitalist profits*.

The individualistic-capitalist order may, however, be subjected to criticism from a wholly *other external* angle, in which case we take the whole nation living in an individualistic-capitalist society, regard its condition and development from the standpoint of health and culture, *compare it with an ideal life, state of health and culture, assess the given condition and development in terms of that ideal*, and find it good or bad, seeing the measure of its benefit in its growth of health and culture and the measure of its harm in their decline. This benefit is different from that which the individual attributes to commodities and to acts which he secures by purchase. Against *an individual and subjective benefit such as the growth of personal satisfaction* stands a *social, objective benefit such as growth of the life, health and culture of the nation*.

From this angle the development of affairs under the dominance of individualistic capitalism can appear unsatisfactory. Even when there is an apparent economic expansion and an equilibrium between production and consumption it may happen that the nation does not develop in the direction of an ideal of life, health and culture, but that *the broad masses of the people succumb in the economic struggle, die off culturally and physically, that there are many needy persons who cannot work and thus secure the necessary share in the national production to enable them to secure a livelihood. There is no right to existence*. These people are not assisted if justice is secured for labour and if work is guaranteed its due reward.

It could also happen that the structure of the national product, created and consumed from the angle of what the people desire for their satisfaction, *does not correspond to what would be objectively beneficial for the health and culture of the nation* (the output of commodities subjectively harmful, such as narcotics, etc. articles of luxury). Against the *personal satisfaction of the individual stands opposed the ideal of the life, health and culture of the nation*. If, however, the nation is to be guided in the direction of this ideal *it must become the object of the care of a super-national will*. If each looked after himself, that is *if each was the subject of his own care*, and if *personal satisfaction* was the aim of the system, there arises *an individualistic-capitalist order*; if each individual and *the whole nation is the subject and the object of care*, and if at the same time *the aim of the system be the ideal of the life, the health and the culture of the nation*—what order will arise? If the individuals are no longer the subject of their own care but only the object of care (like children in relation to their father), *they cannot have any freedom either in respect of work or of consumption, they cannot thus have any control over property whether producing media or consumption commodities*. If this care be carried out to its logical conclusions all individual economy will disappear, and all care for the nation will proceed in *a single common economic system*. But the task of conducting this economic system is not merely one of technique and equilibrium, as was the case in a national cooperative system but is genuinely economic—the task



of deciding upon the structure of the national output from the angle of the ideal of the life, health and culture of the nation, of *providing commodities* by a distribution of labour in such manner that the damage to life, health and culture would be minimum, and of seeing to the consumption of commodities so that the benefit therefrom—growth of life, health and culture would be *as great as possible*. This would be the case if work were distributed and allocated according to *capacity*, and commodities according to *objective requirements*. The strong contribute much and take little, the weak contribute little and take much, *the strong and the weak are united for mutual help with the object of securing a balanced development of the whole*. This is *the solidaristic bond, the solidaristic order*. *Solidarism is the opposite pole to individualism*. Here man is the *subject*, there he is only the *object* of care. Solidarism again leads to collective control over commodities, in this case over all, and therefore the solidaristic order is also called the Communist order. Communism and collectivism express merely relationship to wealth and control of wealth, a control which is collectivised in the hands of the State, whether it is a matter of State capitalism (the State as undertaker) or of a national cooperative system or of consistent solidarism. Thus collectivism does *not express any definite order*, and is *a comprehensive designation for all other orders* than that of individualistic capitalism, expressing as it does no order but control of wealth.

*Collectivism* is thus a designation for a State cooperative

system as well as for solidarism, this designation referring at the same time to *control of wealth* and not to the substance of the system which is uncertain and indefinite as is apparent from the fact that the designation covers two different possible systems. Nor does the expression *socialism* cover any particular system but refers to all systems other than the individualistic-capitalist order; but as there are no others besides the national cooperative system and solidarism, there is no great difference between collectivism and socialism. For *consistent solidarism*—if we have in mind control of wealth which is an attribute of solidarism—the designation of communism is suitable, although the programmes of the Communist International like the Russian Constitution display the elements of a national cooperative system (the right to work) and of solidarism (right to existence). If *socialism opposes collectivism it means partial collectivism on an individual basis* (for example, academic socialism with State interference with individual freedom and control). This lack of clarity is connected with the fact that up to now there has never appeared a precise elaboration of the possible economic systems and their order together with all their appurtenant elements and with their appropriate principles, as is indicated here. In summary fashion we may characterize the possible economic systems as follows:



## S Y S T E M

Features of the System	Individualistic-capitalist	National Cooperative	Solidarist
Subject and object of care	Man is the sole responsible subject of care of himself		The individual and the nation are the subject of care by the State
Aim of the system	personal satisfaction		ideal of life, health and culture
Work	free	right to work work is dictated	duty to work according to capacity
Control of wealth	individual	collective control over production media, individual control over consumption	collective control of the State over all wealth
Wealth is distributed	according to power/income gained by work or from property	according to work	according to objective passive requirements
Duty of the State	"order of communications"	technical task: equilibrium and rational production	solidaristic economic order

No economic system has ever been defined in such consistent clear-cut lines as these. The actual order has always been a medley of elements of various systems with a preponderance of those of one or another. The Russian order is not merely solidaristic but it contains also elements of the

cooperative and individualistic-capitalist systems (allowing small undertakings, limited ownership, etc.); in essence it is mainly a national cooperative order. Our own order is in substance an individualistic-capitalist one, but it has many of the elements of the national cooperative order and of solidarism (social policy). If an alien element is grafted on a certain system it cannot be done fully, otherwise it would disintegrate that system. If we passed a law in favour of a right to a livelihood, we should soon have to pass one making work a duty, and so on.

*Even the State economy has elements of all three systems. The kernel is solidaristic* (taxation system according to capacity to pay), then there are *elements of a national cooperative order* (system of duties), and *individualistic elements* (undertakings).

We have so far spoken of various systems of economic order but we have said nothing about *whence comes and is maintained the will to this order, and who maintains it*. We have so far said that the State maintains the order of communications, that it looks after the nation, and so on. But the State is an imaginary point to which we project and attribute this activity in our thoughts. The State will, representing the will of all, must be created and manifested by someone. Who that is we see from the Constitution which thus determines *the political construction and administration of the State*. I may say of a joint-stock company that it observes a certain order in the utilization of labour and capital with a view to earning

money; that is its *function*. But it is now necessary to explain who dominates in this company (the general meeting of shareholders who vote according to the number of shares they hold, and the board of directors chosen from their ranks, etc.); that is its *administrative construction*. The same thing applies to a State. *The individual systems of order represent the various functions of the State; conceivable are also various political, administrative constructions of a State* (democracy, dictatorship, and so on).

Between the *administrative construction* (a creation of the will) and the *function* of each collective body there is a connection and a relation of *adequacy or inadequacy*. Capital participation in a joint-stock company has its counterpart in influence upon the management in proportion to the participation, and this proves successful. On the other hand this function of a joint-stock company could not be maintained if participation in the management were not dependent upon capital participation and were equal per capita (number of shareholders irrespective of the number of shares held), since the demand would soon be put forward that dividends too should be so distributed. Thus in a State, between its function (system of order) and its administrative construction there exists such a relationship, and *a certain political construction answers to a certain system of order, and vice-versa*.

It is a matter particularly whether, and to what extent, *individual citizens may participate (directly or indirectly) in Government*; the participation (in principle equal) of all the

citizens in Government is designated as a *democratic political system* (self-government by the people), and its opposite pole is the *exclusion of all citizens from participation in Government*, so that *all are the object* of government by a third (an absolute ruler, a dictator). This antithesis has its analogy in economic systems if *each citizen is the subject of his own care* while the State has a certain function of maintaining order (the State serves individuals and exists by virtue of their interests), or if *all the citizens and the whole nation are the object* of care by the State (aiming at an ideal of life, health and culture). If all the citizens are merely objects of care, they cannot themselves determine upon that care, because they would do so according to subjective benefit and personal satisfaction, and not according to the objective benefit issuing from the ideal of care. Thus children who are the object of care have no rights over themselves, nor can students elect the heads of their schools. From this it follows that *it is not democracy but dictatorship which, as a political structure, answers to the solidaristic system of order*. When, then, a person declares himself to be a democrat but by his programme tends towards consistent solidarism (communism), he is no democrat in principle since he is proceeding in the direction of something that excludes democracy.

*Democracy thus manifestly answers to individualism*, to that system of order in which each individual is the subject of his own care, while the State serves the individuals and their interests. All individuals under this system are called, accord-



ing to their interests, to participate in the administration of the State which serves them. In this case there are of course various degrees of participation by the citizens in government (more, or less, democratic). If pure individualistic capitalism is to be preserved the participation would have to be measured according to property, and the State would have merely the function of a cooperative traffic policeman. (So long as parishes had merely the character of a cooperative body only those persons had a vote who paid direct taxes.) This is slightly reminiscent of the relations between management and function in the case of a joint-stock company. Generalisation and equalisation of the participation of all the citizens in the government of the State lead to the fact that with the aid of the State it will be possible to equalize wealth (progressive taxation) and to introduce into the function of the State a measure of solidarism, though not so much as to prove a negation of the democratic government of the State; *full, consistent democracy thus leads to a sort of balancing of the two opposite poles of order—individualism and solidarism.*

Consistent democracy will strengthen also the *cooperative elements* in individualism as the number of those persons who get their living by work grows in proportion to other persons. A consistent national cooperative system would in its turn demand the exclusive participation of workers in the government (dictatorship of farmers and workers).

It remains to make mention of the *primary psychological conditions* for the various systems of order, especially of the

psychological conditions for *solidarism* in which all individuals are gathered into a higher unity irrespective of their individual interests or advantage. A dictator or absolute ruler may produce such ideological segregation by compulsion and against the will of the individuals, but such a solidarist segregation can only be permanently maintained with success in harmony with the will of the citizens. A minority (the rich) may be constrained to accept solidarism, if the minority has an interest in it (egoism of the poor), but consistent solidarism for all demands a certain primary psychological condition. We therefore ask, *what is the primary psychological condition of readiness to accept solidarism*. In substance it is *twofold*: it is either a relationship to *individuals*, to people (love of our neighbours, altruism), or a relationship to the community, to the body social to which the individual belongs and from which he draws his strength (national consciousness). The first motive can evoke humanitarian or religious solidarism (Communism, Christianity), the second *national socialism* (German National Socialism). The first seeks its ideal in man, the second in the nation.

Given the primary psychological conditions for solidarism, individuals conduct themselves without compulsion according to its principles. Certain movements therefore do not aim merely at introducing a certain order by force and of maintaining it by legal means but endeavour to *educate and transform the mentality* of the public in the spirit of the particular order (love of one's neighbours, subjection of indi-



vidual interests to those of the nation, etc.). Nationalism has shown itself to be the most powerful impulse towards solidarity, as witness the obvious fact that States organize themselves according to nations.

### III.

## THE SCOPE OF THE ECONOMIC PROGRAMME OF THE SUDETE GERMAN PARTY

1. Its starting point is a world outlook. Liberty of world outlook and freedom of the individual were a sort of substitute for the dying liberalistic-capitalist "method of observation". Thus egoism became its leading motive with the principle: „Eigennutz geht vor Gemeinnutz“ (Self-interest comes before that of the community). The only limitation which was recognized consisted in the regulation of communications by the State which acted as "night-watchman". This led to a struggle of all against all, and on the organisation of parallel interests to a struggle between estates and classes. Thus it was in Germany „vor der Machtergreifung“ (before Herr Hitler seized the power), and such is the situation in many countries.

2. Where, however, the masses have become conscious of the connection between the individual and his nation (Volkstum) and the soil (Scholle) there have arisen movements „die als volks- und bodenverbundene Gemeinschaften den Kampf gegen den Kapitalismus und Kollektivismus aufnahmen und den Grundsatz Gemeinnutz geht vor Eigennutz verfechten“ (which as nationally and soil-bound communities took up the struggle against capitalism and collectivism and proclaimed the principle that the good of the community comes before the pecuniary advantage of the individual). Economics is

that sphere of activity whose supreme task is to ensure and strengthen vital forces.

3. National economy becomes the medium „für die Zwecke der körperlichen wie geistigseelischen Selbsterhaltung und Fortentwicklung der organisierten Volksgemeinschaft“ (for the purposes of the physical and intellectual self-preservation and development of the organized national community). National economy supplies the national community (Volksgemeinschaft) with the necessary material commodities. „Es ist ein betrüblicher Zustand, dass sich schon vor dem Kriege die blutgebundene Volkswirtschaft und der Begriff der Privatwirtschaft zu trennen begonnen.“ (It is a deplorable state that even before the War national economy and the conception of private economy began to separate). What is there deplorable about this? And how is it possible to separate national economy—a reality—from the conception of private economy, that is, an idea?

4. The sole healthy difference between them may only be that the conduct of private economy is left to the will of the individual and not to the will of the community (Gesamtwillen). To-day money lords it over private economy, money which triumphs over the domain „der blutgebundenen Gemeinschaft“ as over individuals. (Then follows a criticism of the “dominance of the banks” written in a style to appeal to the broad masses).

5. This basic attitude is employed for the solution of the main questions of economic policy, particularly for a solution

of the question of a balance *between industry and agriculture*. Agriculture cannot allow of prices distinct from those obtaining in the sphere of world competition. Disparity is one of the causes of unemployment. By freeing imports the matter cannot be got round. It is essential to proceed otherwise. Grain for breadmaking is prepared in factories which supply mechanized agriculture with machinery. Thus a portion of the agricultural population passes over to industry. Agriculture ought to be de-mechanized. Then it would be necessary to employ more people on the land than are needed for manufacturing machinery for agriculture. Even if output declined somewhat temporarily in this way, this would be no evil, since our agricultural prices have been isolated from those of world competition. To meet the reduced production which would ensue from abandonment of machinery it would be essential to employ more people on the land where, however, there is a shortage of labour. Here the State would have to step in, as there is no other solution. „Für diese aus den Mitteln der Allgemeinheit der Landwirtschaft zuteil gewordene Lebensgrundlage“ (for these bases of livelihood provided for agriculture out of the funds of the community) the farmers (Bauernschaft) would in their turn have to do something for the other national and economic groups, but they could not be asked that they should again give up their „Lebensgrundlage“. If in this way a portion of the population passed from industry (agricultural machinery) back to agriculture, they would themselves consume a portion of the food

supplies and reduce the quantity for which purchasers have to be found among the rest of the population. This would of course be supplementary (zusätzlich) consumption, since it would be a matter of the transfer of unemployed persons to agriculture. From the national-political angle permanent unemployment would decline by the transfer of people to agriculture, and the German would be more firmly bound to the soil—the best defence against the loss of the native soil (Heimatboden). From the standpoint of national economy this would produce relief for in the sphere of international exchange of commodities (exports), since home agriculture would have less produce to sell, and would not be obliged to check agricultural imports as desired by industrial interests.

6. Economic activities are distributed as it were in three storeys. On the ground floor is agriculture, on the first floor industry and the trades, and on the second floor export trade. „Die im zweiten Stockwerke tätigen Menschen sind nun im Zeitalter des Liberalismus allmählich der am Fundamente verankerten Familien- und Volksdisziplin entglitten.“ (People working on the second floor are now in an age of liberalism getting gradually dislocated from the family and national discipline anchored at the foundation). Their foreign trade policy looks to the free markets of the world. This was all right so long as foreign countries paid, „aber als sich der Begriff der liberalistischen Weltwirtschaft verflüchtete“ (but as the conception of liberalistic world economy evaporated) there now stands an all-too-large second storey without



ties to the country's soil which it makes co-responsible for the distress. Each group must henceforth restrict its all-too selfish interests and accommodate itself to the demand it adjust itself to those of the community as a whole.

7. We adopt a similar standpoint on the question of *defining the bounds between the trades and industry*. Industry is in favour of liberty of the trades and at the same time for compulsory syndicalisation. Technical progress (electrical motors) enables the trades once more to compete with the industries. The trades are more capable of accommodation and can better meet the *call for quality* than can big industry with its production to type. Our political standpoint (Haltung) which is always directed towards the interests of the national community says to this, for the moment weak and uncertain movement (obviously that of the trades), a clear "yes". Alongside the man on the land, the man who has a trade of his own also is also a reliable support of his nation. For both work has a vivid sense. The man who has a trade does *Handwerk*, the workman only *Handgriff*. The former must be strengthened. The trades and industry must in future stand on a *good mutual footing*.

8. In addition to the trades it is essential to give thought to *the importance and the mission of commerce*, which is an indispensable regulator (Regler). For the distribution and exchange of commodities there are three factors: the producer, the consumer, and an *independent merchant*. There was always a struggle between them; in a healthy system of economy



they must be in correct relation to one another. If this relation is disturbed (as is done by capitalism in the case of big industry and wholesale trade, and on the part of Marxism by the consumer), one particular factor secures a monopoly position on at the cost of the economic system. This applies in particular to the idea of the *consumers' cooperative societies* which arose from the idea of self-help, but which—swimming in the Marxist waters—have become an expression of big capitalism. These mammoth organisations which extend to production on a large scale are incompatible with the original idea of consumers' societies.

9. The marxist press has of late years become increasingly a Nachbeter (blind adherent) of the demands of the capitalist system of economy. The demands of the liberalistic industry and the policy of Marxism are distinguishable only through slight shade and tone and not through their contents, apart from the demagogic Schlager (slogans) which have been retained for muddling party brains. Neither the one group nor the other stand forth by reason of any creative contents, both have lost the power of conviction, and they do not suffice for elaborating a new picture of the world. The Marxists are only so in name, they do not believe in the ideals they represent—thus displaying their lack of character. It is despicable that the leaders of these parties refuse to admit this public bankruptcy, and insinuate themselves in society in order to plunder it (um sie auszuplündern). Marxism, defeated on all sides borrows now this, now that, ideal. *We need not*

be afraid of these spiritual loans. In der weltanschaulichen Auseinandersetzung (in the struggle for world outlook) that standpoint will finally triumph which is directed towards a united and exclusive world outlook (*Weltbild*), and not the group which, for the purpose of election tactics, borrows its arguments.

### *What divides us from Marxism\**

10. What divides our world outlook from the historic materialism of Marxism there is no need to explain. The substantial fact is that the idea of national community does not divide people into classes and that it does not recognize the class struggle. We do not appeal therefore to economic interests but to people united in the national community (*volkgemeinschaftsverbunden*) and to an economy closely bound up with the nation (*volkverbunden*). It is therefore clear to us that our employers and our workers must learn to understand one another, to respect one another, to collaborate as closely as possible, since they are engaged in a struggle upon soil where the matter at stake is the substance of Sudete German economy.

11. We adhere unreservedly to *German Socialism*. We are therefore opposed to everyone who supports the ideal of great undertakings in economic activity.

12. A classic example of how Marxism is linked up with the ideals of capitalism is the Stachanov movement in Soviet

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\* This is the first sub-title within the programme. The first Part, the contents of which we have just given, has no general sub-title.

Russia. It is a renaissance of the capitalist neglect of the dignity of man. In Czechoslovakia the Society of the Friends of Soviet Russia have honoured the sense of this movement by a series of lectures. They agree with this reduction of man to the level of a machine. Marxism has forgotten its slogan: „Akkordlohn ist Mordlohn“ (piece wages are mere murder).

13. In our view on the contrary it is a great piece of good fortune that in the face of all assumptions „sinnerfüllte Arbeit“ (soul-inspired) in agriculture and in the trades has been maintained in distinction to the big industrial concerns „wo das Handwerk zum Handgriff herabgesetzt wurde“ (where craftsmanship has been reduced to mechanical effort). *Our economic order will never be one that wishes to tether working man (den letzten Mann) to soulless levers and machines, for that would destroy all that we hold dear.* We see that in Russia—how the huge agricultural concern has destroyed the old traditional working and village society. The big concern which draws people from the country and crowds them in a town (zusammengeballten Haufen), disintegrates family and national (volklichen) ties. Therefore even cottage homecraft industry (Hauswirtschaft) is dying out. The individual worker at the high-water mark of capitalism is severed (herausgelöst) from his family and national ties; reduced to a mere machine he lives with strangers, and with them has only the idea of the class struggle in common. But it has been the good fortune of the German nation and Sudete citizens that the workers have been able to hold their own against this capitalist and

Marxist ideology. We have to thank the sound instinct of our farmers and workers that they followed the men who perceived this menace to the German nation and who desire to save that nation from destruction and lead it to new advance.

*We must never look at labour and capital separately (einzeln) but always in indissoluble connection (Gesamtheit).*

### *The Case of the Needy Man.*

14. An urgent problem is the wage question which the capitalist economic order has left us and which still prevails even between workers and employers who in their sentiments adhere to the national community. We shall see to it that a wage shall be *within the capacity of the economic system to pay*, but that it shall also be *just* for the worker whose sole wealth it is. It is essential to humanize (verrinnerlichen) by degrees the soulless and insensible mechanism produced by the opposing camps of employers and employed, and to make of these all-too-antithetical (gegensätzlich) links economic organs of the national community (Volksgemeinschaft), which will work successfully together. We shall energetically put down the non-observance and undermining of collective agreements, but we shall also pillory those who screw down wages and thus place themselves outside the pale of the national community. "In so far as we must still drag along with us this unhappy heritage from the days of liberalism" (labour conditions are obviously meant) we are at



any rate *in favour of making collective working agreements generally compulsory*. Throughout the whole State and in all sectors of industry we shall see to securing such working conditions as regard each individual as a man, and set him to work according to his powers (seinem Können gemäss). The worker engaged in industry must be treated as a collaborator. Against those who would hinder this we shall march at the head (marschieren wir and der Spitze) of those who to-day labour in the mines, in the blazing foundries, and in other big undertakings and who bear a twofold heavy cross, and to whom the national community is doubly grateful.

15. To social legislation, too, we adopt a different standpoint than the liberals and the Marxists. *We postulate for society (Gemeinschaft) and the State the principle of moral responsibility (Verpflichtung) for all citizens and members of the nation. Social sentiment must become an honourable duty. Social legislation must take as its starting point the right of every individual to work. From this fundamental standpoint there issues for every member of the nation (Volksgenosse) and citizen the right to a life worthy of a human being.* Members of the nation (Volksgenossen) who are in distress are not to be left to feel neglected. Moral support (Aufrichtung) has a greater value than material assistance.

16. Within the lines of mutual moral duties as between the individual and society as a whole (Gesamtheit) comes assistance in respect of the marketing crisis in agriculture.



It does not suit the farmer to express everything in terms of money. To-day agriculture is compelled to sell its products at the times when taxes are due, to hand the money to the State which pays it out to the unemployed. These latter then purchase the farmer's products, but at a higher price, since the process just described has swallowed a considerable percentage (Verhältnissatz) of the price. The farmer's *taxes as paid in money ought therefore to be lowered and it be made possible for him to pay in kind* to feed the unemployed. In this way our taxes would not be employed in purchasing foods for our unemployed from distant agricultural areas peopled by another race. Let us give an example of Sudete German self-help. Thus would a closer contact ensue between the farmer and the unemployed. Our money market would also be thus relieved.

### *Our Attitude (Einstellung) to the Conception of Capital.*

17. We accept the conception of capital (bejahen den Begriff) in so far as it serves the nation as a whole and is useful, that is wherever it supports industrious (werktätige) and creative (gestaltende) effort. *On the other hand we shall in determined fashion fight the type of capital that thinks day and night merely of its own advantage and not of its function and service for the community.* Here we must at once occupy ourselves with the function of financial capital as a power and not with the empty (blutleer) conception of it. Hitherto the

depositer has only thought about the interest he gets, and has not given a thought to the fact that with his money he has given out of his hands not only its capacity of yield but also *power*. From tiny springs there is formed the vast flow of capital which is the powerful instrument of the capitalist bankers (mostly international). A dozen banking magnates control these moneys entrusted to them, laying them out at the highest rate of interest and at their personal discretion. The Sudete German savings banks when they entrust their moneys to the *big banks and the State central institutions must demand a proportionate influence upon the use made of the money*. We shall hammer this cardinal demand into the heads of depositors as a precept. We shall not content ourselves with the situation such as arose after the liquidation of the Central Bank of the German Savings Banks and the Phenix Society. In the Central Insurance Institute, too, the Germans are without influence. Speaking in popular terms we demand proportional representation of the depositors in all savings banks of first instance, as well as in all international (Czech-German is obviously meant) commercial banks for which a portion of the capital current accumulated by our people (Volk) is separated for further employment and exploitation. Equally we demand that the Sudete Germans shall have a voice in decisions wherever, according to any measures taken by the State, Sudete German money is concerned. The whole financial fund accumulated by the people (Volk) must also be administered by the people. Nor do we forget the Unter-

nehmer-Kamerad, our comrade the man of enterprise. We desire to take a considerable amount of financial capital from competition and the money (capital) market for the Sudete German economic system. At the close of this development we already see

18. *Socially bound Capital*

which will only to a wholly insignificant extent support interests that are not in keeping with the general economic interests of our national community (Volksgemeinschaft).

*Conclusions (Schlussfolgerungen)*

19. We declare war on all business forms and economic systems that continue to disintegrate the organic structure (organische Gliederung). We have no time for *shops with uniform prices* which level down requirements and worsen the quality. Domestic production is suffering from overproduction, and yet these capitalist profiteers in the sheepskins of uniform-price businesses (kapitalistische Profitjäger im Schafpelz der Einheitspreisgeschäfte) thoughtlessly give preference to foreign products.

20. *Socialism as we have created it, can in principle embrace all economic forms and structures.*

21. Thus we should not like to lack the small trades system in favour of an exclusive use of big industrial enterprise. We do not wish to draw up schematic plans. The more important an individual economic branch or individual enterprise is for the national community (Volksgemeinschaft),

and the less the captains of enterprise have hitherto listened to the voice of warning from the watchtower of our ideology (von unserer gesinnungsmässigen Werte) the more necessary will it be to doubt the expediency of a continuation of private economic forms.

22. As adherents of a *real* socialist system of economy on a national and popular basis (auf völkischer Grundlage) we proclaim our adherence to the idea of automatic economic planning (zu autonomen planwirtschaftlichen Gedanken-gängen), not of course, in the form as put forward by State economic policy, that is planning from different quarters, because this carries the curse of inadequacy (Unzulänglichkeit), if not absurdity. A lack of fidelity to principles in State economic policy we can see for example in the licencing system which was at one time conducted from the angle of private law and again from that of public law. Private law it is said was a principle in the regulation that only the import of specific goods required a licence while the import of all others was free. Later it was provided according to the rules of public law that in principle all import required a licence in so far as exceptions were not expressly made. This sort of vacillation continues to be observable „und die Wirtschaft in allen Gliederungen muss da für die Zeche zahlen“ (and the economic system in all its sectors must pay the piper).

23. In a nationality, racially mixed State (Nationalitäten-staat) legal assurance is needed that planned economy shall



not be exploited in favour of one nation at the cost of another. We have no intention of squeezing the Sudete German economic system into the Prokrustean bed of copied ideas. Nowhere must the economic right to existence (wirtschaftliches Lebensrecht) be sacrificed to any alien theory. *We shall not allow the ideas of planned economy to be seized by the capitalists in their lust for gain* (Profitgier). It is well known that frequently horizontal and vertical planned amalgamation (planwirtschaftliche Zusammenschlüsse)—the reference seems to be to syndicates—was based exclusively on the idea of profits regardless of the fact that as a consequence of the transfer of a concern thousands of workers lost their bread and whole districts were plunged into distress. We shall pillory such practices. Private advantage can be outweighed by economic injury (the consequent unemployment pay). This abominable (verabscheuungswürdig) game played by capitalism would cease if the damage done had to be paid for by those who caused it (the managers).

24. Unrestricted (schrackenlose) world economy is definitely done with (endgültig vorüber). The great economic *blocs* which have arisen in the last few years are facts which cannot be denied.

25. The question of economic unity among the Danubian States has for some years past occupied the attention of various groups of Powers. All these economic proposals adapted to the aims of high policy of State were stillbirths from the outset that looked upon the Danube as a Karst



river that suddenly vanishes into the earth at Passau. We declared most decidedly and openly from the very beginning in opposition to the above view that the Danube is also a German stream, and that the German Empire cannot be passed over on the basis of any schemes whatsoever. It is a satisfaction to us that this view is beginning to be gradually accepted, and that the number of diehards who refuse to recognize this truth in its full extent is growing smaller day by day.

26. We have not referred here to various demands touching commercial, agricultural, industrial and transport policy. On the other hand we have plainly and clearly elucidated our ideological standpoint (*gesinnungsmässige Haltung*) towards the economic system, and our attitude towards the main elements of production, towards labour and capital. Sudete German socialism has nothing in common with the Marxism which incites classes and nations against one another (*klassen- und völkerverhetzend*). We have pointed out new problems which were not visible under the atomistic method of observation (as opposed to the totalitarian). We do not put forward demands or desires that do not fall within the sphere of Czechoslovakia's sovereignty (*Hoheitsgebiet*). Our programme is free of demands that are incapable of fulfilment.

27. We have purposely kept to the principle of remedying ourselves first of all, of excluding poisons and of giving a good example even to our neighbours. We have therefore

not pointed to the continued injury done to the Sudete German economic forces by the State economic, financial and currency policy of Czechoslovakia.

28. In the field of finance and currency we reject all orthodoxy. We give our support to a *currency policy* which *diverges from the classic monetary theory*. It has been shown clearly that the orthodox doctrines of gold cover do not in the end serve the domestic currency but the profiteering interests of foreign financial magnates (Geldkönige). We look upon the financial system as on a link that serves production, and we naturally cannot therefore acquiesce in financial experiments and theories which lead to the drying up of economic activities (Verdorrung), to permanent distress and unemployment. Finance and currency have the same duty as the other links in the economic chain, they, too, must be ready with their reserves („auch sie müssen mit Reserven einsatzbereit sein“). Money according to its innermost substance must not be anything but a symbol of society (Gemeinschaft), a symbol which draws its value from the quantity of commodities, the wealth, which society is continually creating.

29. From Prague air and sunshine is denied the Sudete German economic forces, but this is not connected with the leading economic principles of the Party, but is part and parcel of the maintenance of national-political interests in the economic sphere. On behalf of Sudete German economy we note only in summary fashion that in the Czechoslovak

domain (Herrschaftsraum) that economy demands its right share as in all other sectors.

30. We do not wish to make merely a passing impression with these principles. Our aim goes further. We wish to attain it with all the dynamics of our movement. Translated into the speech of the farmer, the trader, the merchant and the undertaker: we make these directives „zum Gemeingut des Handelns unserer Volksgruppe auf den von uns herausgestellten Gebieten“ (the common property of the activities of our national community within the territories assigned us). Then will our standpoint towards the sense of economy be anchored in the hearts and souls of millions. „Wenn wir dann diese geballte Kraft wirtschaftlicher Überzeugung aufrufen, so müsste der des Teufels sein, der uns den Lauf wollt hemmen.“ (When we then evoke this accumulated force of economic conviction the man must be the devil's very own who would check our course.)

## IV.

# ANALYSIS OF THE ECONOMIC PROGRAMME OF THE SUDETE GERMAN PARTY

## A. GENERAL PART

### GENERAL PRINCIPLES OF THE PROGRAMME

#### 1. *World Outlook as Starting-Point of the Economic Programme.*

The programme places emphasis upon world outlook which is, as is stated right at the outset, its starting point. It is interesting, however, that this *world outlook* is interchanged with *method of observation*. "Liberty of world outlook and freedom of the individual were a sort of substitute for *the dying* liberalistic-capitalist *method of observation*.\*) "We have pointed out new problems which were not visible under the atomistic *method of observation* (as opposed to the totalitarian). Manifestly world outlook here is taken from a certain system of philosophy which looks at phenomena in a specific manner and elucidates them. In the view of this philosophy individualism is a specific method of elucidation

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\* The numbers in brackets refer to the numbers in the preceding chapter (III. The Scope of the Economic Programme of the Sudete German Party) by which sometimes a paragraph, sometimes a sentence is indicated in order to facilitate quotation.

of phenomena as distinct from a universal totalitarian elucidation." (O. Spann.)\*

The individualistic (atomistic) theory of price (its origin) looks to the interests of economy which creates price in the market; the universalist (totalitarian) theory looks to the function (service) which price performs for the whole (totality) of society; thus every phenomenon is explained either independently (atomistically) or as a part of the whole (i. e., from the totalitarian angle, especially phenomena pertaining to society). But this *method of observation and explanation is not itself a recommendation of a specific system or a recommendation of the principle that society and the State are to serve individuals (individualism) or that individuals as part thereof are to serve the whole (State, society, nation)*. Spann, it is true, explains from a universal, totalitarian angle individualistic capitalist phenomena (for example, prices). With this theoretic exposition of totalitarian philosophy we shall not occupy ourselves for it proves nothing. From the circumstance that something is part of a whole there follows no definite issue; only the substance of the whole—what forms the whole and what is its relation to the parts—explains something. (Amongst us several philosophers have taken up this philosophy with special interest (for example, Fischer of Brno).

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\* It is of interest to note that this spiritual father of German Socialism was, after the annexation of Austria by Germany, deprived of his Professorship at Vienna University.



From this exposition and conception of the matter as it issues from the method of observation it is but a step to *taking the whole or part in social relations the individual or society not as the starting point of theoretical observation but as the starting point of practical effort*, for there is a great difference whether *society* (State, nation) is *the aim and the individual the means and subordinate link*, or whether *the individual is the aim and society the instrument for a better pursuance of its interests*. This is no longer method of observation, it is already *world outlook*.

The world outlook of the Sudete German Party, a Party which speaks, in place of world outlook, promiscuously of method of observation, is thus not yet independent of its maternal philosophy, the theories of Spann. This is also proved by numerous other phrases which we meet with in Spann as well as here. The Party lay great weight upon its world outlook saying (9): "In the struggle for world outlook that standpoint will finally triumph which is directed towards a united and exclusive world outlook (Weltbild)."

What in fact is the world outlook of the Sudete German Party? It is *a universalistic, totalitarian outlook. Its starting-point and practical aim is a national community, a Volksgemeinschaft*. „Volks- und bodenverbundene Gemeinschaften“, „organisierte Volksgemeinschaft“ (2). If this community as starting-point is the opposite of the liberalistic-capitalist world outlook, then this world outlook is not correctly characterised in the programme as (1) the liberty and

independence of the individual, since against Volksgemeinschaft as an aim there can be opposed only the individual as an aim; against the liberty and independence of the individual (in individualism) stands the non-liberty and the dependence of the individual in other systems to which we are tending if we make Volksgemeinschaft a practical aim. It is thus impossible to oppose liberty to Volksgemeinschaft, but it is possible to oppose non-liberty to it; against Volksgemeinschaft it is possible to oppose only the man and individual. This exactitude is essential for a mutual assessment of the two systems which issue from these world outlooks.

## *2. The Totalitarian World Outlook leads to a Solidarist-Communist Economic System.*

National economy, it is stated in the programme (3), becomes a means „für die Zwecke der körperlichen wie geistigseelischen *Selbsterhaltung und Fortenthaltung der organisierten Volksgemeinschaft*“ (for the purposes of the physical and intellectual self-preservation and development of the organized national community). The organized national society is thus the object of care that has for its aim the ideal of life, health and culture (according to our terminology). A system *in which the body social is the object of care in the direction of life, health and culture is a solidaristic-communist system*, as we have seen, thought out to its logical

conclusions. The good of the community, the Gemein-  
nutzen as the programme expresses it, is given by a growth  
of the life, health and culture of the whole, and not by  
a growth of the satisfaction or pecuniary advantage of the  
individual (Eigennutz, as the programme has it). Of course,  
if the matter be thought out to its logical conclusion, *an  
individual cannot possess liberty of consumption, or production,  
or control of commodities*. The providing and the consuming  
of commodities must take place on the basis of benefit for  
the whole community: work is distributed according to the  
worker's *capacity*, and commodities according to *objective  
requirements* (right to existence). As a matter of fact it is  
stated that the individual takes his place in the sphere of  
work „seinem Können gemäss“ (according to his abilities).  
“We postulate for society (Gemeinschaft)”, it is stated  
further, “the principle of moral responsibility (Verpflich-  
tung) for all citizens and members of the nation.” Social  
legislation is to issue from a *right to work for everyone*. From  
this fundamental attitude there issues for every member of  
the national community (Volksgenosse) and subject *a right  
to a life worthy of a human being*. It is said that the Party  
thus adopts a different attitude towards social legislation than  
do the liberals and Marxists (15). It is certain that in an  
individualistic-capitalist system it is impossible to effectuate  
either a right to work or a right to existence; but that the  
Marxists would not like to realize these rights is not true—  
indeed the contrary is the case. *But a right to work and to*

*existence can be realised solely in a fully national cooperative system or in one of genuine solidarity*; both the one and the other lead to *collectivism*, but, as we shall see, the German Socialism of the Sudete German Party is equally against capitalism as against collectivism. It takes thus for its starting-point a motto of popular appeal which, according to its programme it cannot put into practice, and apparently has no intention of putting into practice, for nothing is said about necessarily introducing also the *duty to work*.

We shall see that the rest of the programme is in no way in harmony with the fundamental totalitarian world outlook and with the fundamental solidaristic starting-point so strongly emphasized, but this starting-point would be in conflict not only with the individualistic-capitalist economic order but also with the *democratic political order* which answers to it, for, as we know, democracy cannot endure complete and consistent solidarity. The solidarity of the Sudete German Party is *national*, and therefore in given circumstances very effective. The masses have become conscious of the unity of the individual with the nation (Volkstum) and the soil (Scholle), and thus arose the movement of „der volks- und bodenverbundenen Gemeinschaften“ (communities bound to nation and soil) (2).

Even if this national solidarity does not lead in its consequences to solidaristic collectivism, and even if, despite all its opposition to liberalism and capitalism, it leaves intact the basis of its order, *the psychology of national solidar-*



*ism helps to overcome all conflicts between the class and group interests* such as manifest themselves in individualistic capitalism (employers, workers), but these are already special questions.

*3. This National Solidarism  
is not Consistent but only Partial.*

After the initial attack upon liberalistic-capitalism, it would have seemed that the "German Socialism of the Sudete German Party" would serve up the very opposite of that capitalism, or something quite different from it. Well towards the end (19) we read that the programme accepts "the conception of capital" (obviously capital, for only science can have a relationship towards a conception), but of course only "in so far as it serves the nation as a whole and is useful, that is, wherever it supports industrious and creative effort". The programme says: "on the other hand we shall in determined fashion fight the type of capital that thinks day and night merely of its own advantage and not of its function and service for the community." And what if capital thinks "day and night" of its own advantage and yet at the same time serves the community as a whole? Does it depend upon what capital is thinking, or upon the assessment of its activities from the angle of the community as a whole? It is a far too elastic statement which not only continues equally to cover private capital as to satisfy its



opponents. We learn no more details of the relationship to capital, but a lot about the claim that German capitalists should be duly represented wherever their capital is being utilized. Finally, however, we find the following significant words: "At the close of this development we see socially bound capital *which will only to a wholly insignificant extent support interests that are not in keeping with the general economic interests of our national community.*" Nothing is said as to how this is to be achieved, but even at the close of the development there will be private capital here which will seek its earnings not only in places where it will contribute to the welfare of the whole community but also in places where—if only to a very small extent—it injures the community.

German Socialism, in spite of all its opposition to capitalism, is *not a denial of capitalism*, but preserves it and only slightly reduces or otherwise makes impossible its harmful profitmaking, and even though otherwise rectifying it *continues to build its system on an individualistic-capitalist foundation.* This is also to be seen in the special points of the programme, from which it is clear that the system of enterprise is to be maintained and strengthened (trades, the middle class). "Socialism can in principle embrace all economic forms and structures" (20). Of private undertakings it is said (21): "the more important an individual economic branch or individual enterprise is for the national community, and the less the captains of industry have hitherto listened

to the voice of warning from the watchtower of our ideology, the more necessary will it be to doubt the expediency of a continuation of private economic forms", which will thus continue to exist, but will give way in the cases mentioned to what form? Obviously public-economical or national-economical as the programme says (4): "The sole healthy difference — between a national and private economy (again it is erroneously said "the conception" of private economy) — may only be that the conduct of private economy is left to the will of the individual and not to the will of the community."

When the programme speaks of a difference between *national* and private economy, it apparently means public economy, since national economy is not an individual economy but the sum total of all (inclusive of the private) systems of economy within the territories of the State in all their interplay of interests. Between public economy and private (capitalist) economy the difference consists not merely in whether an individual or the community conducts it, but in *how* it is conducted. In the hands of the State an undertaking can also be purely capitalistic. If, however, the programme understands public economy as administration by the whole community (totalitarian), and if it means nationalising the undertakings that are of importance for the national society and the undertakings that have not listened to the warning voice from the watchtower of the Sudete German Party, how is it possible that the Party programme should

object to collectivism? The programme is full of contradictions of this kind.

The attitude of the programme to the capitalist basis plainly appears also from its relation „zu autonomen planwirtschaftlichen Gedankengängen“, the idea of automatic economic planning (22). “Planning” is part of the actual socialist economy professed by the Sudete German Party. By it is meant, of course, planning is carried on from various quarters (subsequently it will be said from one, as would correspond to the political structure of solidarism) and in “inadequate if not absurd fashion”, since it displays “a lack of fidelity to principles in State economic policy”. As a proof of this it is stated that at one time it was allowed to import to this country everything that was not expressly made conditional upon a licence (which it is declared is a principle of private economy), and that subsequently everything that was not given the advantage of an express exception was made subject to a licence (this being, it is declared, a principle of public economy). For this vacillation, it is said, the cost had to be paid by the economic system in all its sectors—die Wirtschaft in allen ihren Gliederungen (Spann’s sociological flower of speech) (22). This criticism is beside the point. In the choice of this or the other form (all is allowed that is not forbidden; all is forbidden that is not allowed) it is simply the purpose that is decisive—whether it speaks for a *general* restriction of imports (for example, for reasons of payments or currency) to which exceptions are allowed for

reasons of higher social considerations, or if it speaks for a *special* restriction of the imports of specific commodities for reasons connected with their production and consumption. Thus, as a situation may change (as for example the case of payments) so must the measures be changed too. This assuredly is no infidelity to principles in economic policy, quite apart from the fact that—when the exceptions total half the cases—the matter becomes a mere formality. Finally it should be remembered that this double species of relation of rule to exception has nothing in common with the considerations of private or public economy as are spoken of in the programme. The question of what calls for a licence, whether general or special, always issues from the solidaristic (public) standpoint, while what is free answers to individualism. Still less would the difference in question answer the needs of “private economy” and “public economy” if we were to ask the programme for the difference between public and private economy, which, it is there stated, depends solely on the subject responsible for the will (the individual, the community).

Further on (25) planned economy, under which is to be understood an economy conducted solely by the State (the transposing of prices and their constituents) is mixed up with *the syndicate organisation among economic factors*, of which it is said that it must not produce social ills (the transfer of enterprises, depopulation), and that the managers of concerns ought to stand good for damage thus done (and what



about cases where it is essential to concentrate undertakings in order to maintain export trade, and the like, so as to avoid still greater injury to the community as a whole?) In any case *even individualistic-capitalist syndicalism is recognized*, though it is adjusted according to the public interest.

From all this it is evident that the solidarism of the Sudete German Party does not eliminate *capitalist individualism* (not even at the close of the development, i. e. the socially bound capital of the argument in paragraph 18), and that solidarism is erected as a superstructure over it reaching up to capitalism and adjusting it from the solidaristic angle. *The very same thing is being done by our present policy.* The fact that the individualistic-capitalist under structure is preserved is also apparent *from the opposition of the programme to collectivism and Marxism.* Right at the outset (2) it is stated that there have arisen movements which, as communities bound to nation and soil, have taken up a struggle against capitalism *and against collectivism.* Similarly Marxism is attacked as drifting to collectivism. The demands of the liberalist industry, it is said later (9), and those of political Marxism differ only slightly in shade and tone but not in their contents. This is a campaign against Marxism (9). In the programme Marxism is accused of inciting the employers and workers to a class struggle against one another, whereas the national community (Volksgemeinschaft) would mean their coming together and closest collaboration (10). Marxist theories of course state that capitalism creates classes and evokes a class



struggle (Political Marxism it is true, recommends class consciousness and the class struggle until the workers attain dominion). The programme accuses Marxism of supporting the ideal of big undertakings (11); but Marxism does not recommend development in the direction of big undertakings, it merely states the fact of their existence. The programme reproaches Marxism with having taken over from capitalism its wage methods (Stachanov system, and piece wages). This, of course, does not apply to the Marxist ideology, but to the practice of the Russians. On the subject of the Stachanov movement the programme declares that it disregards the dignity of man, and of piece work it says that „Akkordlohn“ is „Mordlohn“ (piece wages are mere murder) (12). Is the programme perhaps opposed to payment by results? Is it against the rationalisation of work? If Russia has reverted to these “capitalist” methods it is not the result of the Marxist programme but the outcome of experience and of a conscious deflection from Marxism. Moreover even a national co-operative system would reward labour according to a specific unit of work. Again and again the programme reiterates that it has nothing in common with Marxism which it condemns (26). Marxism is a theory of capitalism and its evolution, it is not a plan nor a criticism. Marxism does not in the end desire classes, but wishes to proclaim a state of national production in which the classes will not exist, and in which all will be workers. Therefore the fact that to-day it proclaims the theory of class struggle (elucidation of capitalism) does not

mean that it desires this class struggle as a final aim. What sort of system Marxism desires ultimately is not clear; there is a confusion in it of the national cooperative system with the right to work and solidarism (Communism) with the right to existence. *In its criticism of capitalism, however, German Socialism nevertheless joins with Marxism, as it does in its criticism of capital and its function, and in its criticism of the social struggle.* A lack of clarity appears in what the programme understands under Marxism: at one time it is *a theory and criticism of capitalism* (academic Marxism), at another it is the *programme of political parties* which is based on the theory of Marxism (elucidation and criticism of capitalism), while again it is *the practice of the Russian system* which is a medley of the national cooperative system, solidarism and capitalism. It would seem that the opposition of the programme to Marxism and to collectivism is opposition to *a complete negation of capitalism*, since in the case of a complete negation of capitalism (production by enterprise) the State must take over the organisation of production according to either this or that system of order, and if the basis of German Socialism as it appears in the programme is, as we have shown, *solidarism*, then it is *opposition to complete and consistent solidarism* (Communism). Here again it is a matter in the long run of *balancing individualism and solidarism*, but to the outside world and in word what is *mainly* emphasized is *national solidarism* and its derivatives (the right to existence—while possibly it is also intended to lay greater stress on this

solidarism in practice). Possibly it is to some extent a matter of *some shift of position but not of any fundamental change in the name of German Socialism*. A new point is that this solidarism *refers to and limits itself to the subjects of the same nation*, and that the national interest helps to evercome all the antagonisms produced by capitalist individualism. *In a single-nation State this conception produces synthesis, but in a State composed of more than one nation it produces disintegration*. But even when this ideology takes root in a State composed of only one nation, *the State's international relations are loosened*, as we shall see elsewhere in these pages. That this solidarist conception finds itself in conflict with the *conception of democratic policy* we have already shown—it leads to dictatorship and to the leadership principle.

## B. SPECIAL PART INDIVIDUAL PROBLEMS

### 1. *Introduction*

Of the scattered references to demands which are not connected with the social (national) community as a whole, but to special questions, *specific problems* of the whole or *individual sectors* (classes of the whole we can compile the following system. First and foremost there is the question of *linking up* the social community *with the international system*, that is, the relation to world trade, self-sufficiency, and so on. *Internal problems* are associated with the various

classes responsible for *production* (agriculture, industry), and with various *social* classes—the middle class (trades, business, shopkeepers), and the *workers*. A special group is constituted by the problem of *public finances, the currency and financial capital*, and finally the *economic problem of the minorities*. This system will be the basis for the following elucidation and analysis of the special problems figuring in the programme of German Socialism of the Sudete German Party.

## 2. *Linking up with the International System*

Despite the fact that industry in the Sudete areas has predominantly an export character it can be said that the whole voice of the programme of the Sudete German Party is opposed to free world trade. “Unrestricted (*schrackenlose*) world economy is definitely done with (*endgültig vorüber*). The economic *blocs* which have arisen in the last few years are facts which cannot be denied” say the programme (24), but they are not facts which it would not be possible to desire to change in an economic programme. The attitude towards a linking up with the international system and especially with the international movement of persons, commodities and capital is determined, it is true, by the fundamental attitude towards the internal economic order. Capitalist individualism knows no limitation in international contacts, and all the restrictions imposed by the individual States issue from consideration for the body social within the State, that is, from solidarist bases. If then the Party so strongly



stresses national solidarism it is comprehensible that it will not wish to free international trade from its restrictions. *Consistent national solidarism thus leads to the self-sufficiency system.*

From this angle we can understand the Sudete solution of other questions that arise from the checks put on international trade. The programme likens the structure of national economy to a house of several storeys; on the ground floor is agriculture, on the first storey industry and the trades, and on the second storey export trade. The people engaged in the second storey, it is said (16) „sind nun im Zeitalter des Liberalismus allmählich der am Fundamente (agriculture seems to be meant) verankerten Familien und Volksdisziplin entglitten“ (are now in the age of liberalism getting gradually dislocated from the family and national discipline anchored at the foundation). Foreign trade policy was directed towards the free markets of the world. That was all right so long as foreign countries paid „aber als sich der Begriff der liberalistischen Weltwirtschaft verflüchtete“ (but as the conception of liberalistic world economy evaporated) a conception evaporated, perhaps world economy itself? “there now stands an all-too-large second storey without ties to the country’s soil which it makes corresponsable for the distress” (here agriculture is meant, which, by restricting the imports of agricultural products checks the export of industrial output to the agricultural countries). Each group must henceforth restrict its all too selfish interests, and accommodate itself



to those of the national community as a whole. Such is the programme (6).

There is a saying that every comparison limps, but to compare the structure of economy to a house with a ground floor and two upper storeys in the second of which export trade sits is making a double limp. Who occupies that storey? We hear that the people in it have, under a system of free trade, slipped out of the system of national discipline, and that the second storey has become too spacious since "the conception of liberalistic world economy has evaporated". In the second storey are there only people who do nothing but engage in foreign trade, merely exporters? Or are there also in that floor people who produce goods for sale to other countries? In the first case the number of persons would be very small, and it would be impossible to speak of "an all-too large storey without ties to the country's soil", while in the second case the persons producing goods for export are either farmers or manufacturers and as such have already their place in the lower storeys.

Such comparisons have no value. All production is done for exchange; a portion of production proceeds via foreign trade in such way that in glassworks (the output of which is exported (cereals are "produced") if cereals are purchased from abroad with the money accruing from the exports of glass). Via foreign trade commodities are produced and exchanged if that course is more advantageous for the nation than without foreign trade (if thus in glassworks more grain

can be "produced" at the same cost than on the country's soil). Glassworks are thus converted into sources of agricultural production. It depends upon domestic prices and costs of production, compared via the prism of currency with foreign prices and foreign production costs, whether and to what extent the domestic economy fuses with world economy so as to cause a rise in productivity on both sides. If a dislocation occurs in international trade, over-production and crisis face the production that has worked for export and for indirect satisfaction of domestic consumption, and the like difficulties arise for the whole of the country's economic system. This has happened not „als sich der Begriff der liberalistischen Weltwirtschaft verflüchtete“ (as the conception of the liberalistic world economy evaporated) but when certain countries began to pursue a policy of self-sufficiency as a consequence of extreme economic nationalism. The policy of the Sudete German Party has no objection to that development, it is not directed towards freeing foreign trade from restrictions and removing the crisis resulting from those restrictions, but it accepts this situation as duly answering to its national solidarism, and simply calls upon each group (it does not speak of class, as that would sound too Marxist) to accommodate and subordinate itself to those interests of the community which are the aim of self-sufficiency, and at the price of a general reduction of productivity, as we shall see when we come to speak of the relations of agriculture to industry.

In place of a free international exchange of commodities the Sudete Party takes cognizance of the economic *blocs* as already formed (25), and indicates that *the Danubian basin ought to be such a bloc*, obviously under German dominance. The Danube, too, according to the Party, is a *German* river.

### 3. *Equilibrium between Agriculture and Industry.*

If an equilibrium is demanded it is because there must exist in this connection some lack of balance. This is only faintly indicated in the Sudete programme when it is stated that *agriculture cannot allow of prices distinct from those obtaining in the sphere of free world competition*, and that disparity in this respect is the cause of unemployment in industry (5). The fact is that agriculture has succeeded in getting the frontiers closed against free (not without payment of duty) imports of agricultural produce, the imports of which are regulated either by the Grain Monopoly Society or by means of quotas. A restriction of imports from the agricultural countries reduces their purchasing power, so that they have not the means to pay for purchases of our industrial output. Hence unemployment in the industries.

Formerly we "produced" in our textile mills the grain we imported from Yugoslavia and the fats we got from Hungary, that is, indirectly via foreign trade, but to-day we produce it directly ourselves and at higher cost. In this too we see the trend of efforts at self-sufficiency.

The solution proposed in the programme of the Sudete

German Party is highly interesting; it is that of demechanising (derationalising) agricultural labour, of increasing the number of workers in agriculture and thus those workers' own consumption of agricultural products, so that less will be left to dispose of by sale. Into the sphere of agriculture there would thus enter according to the programme more persons (and consumers) than would be lost to the industry that turns out agricultural machinery. The consumption of these persons would be „zusätzlich“, an additional consumption, since unemployed persons would be found a place in agriculture. This would pave the way for increased imports of agricultural products and for augmented industrial exports to the agricultural countries. The authors of the programme are well aware that there is already a shortage of agricultural workers, and that their proposal means a “temporary” decline in productivity. The solution which the programme advocates issues from the given measure of self-sufficiency as from an unchangeable axiom, that is the starting point of the solution. In this method of solution *agriculture is apparently to give up nothing of its vital basis*, although industry—apart from the output of agricultural machinery which would be liquidated as far as domestic requirements are concerned—is adequately assisted, if agriculture (its home output remaining unchanged) consumes more of its production at home, so that it is possible to import grain from abroad for the non-agricultural consumers, and thus enable our industrial output to be exported to those agricultural countries. But is it true



that agriculture does not surrender anything of its vital basis (2). *The demechanisation of agriculture means a simultaneous increase in the cost of production of each unit of production.* Mechanisation was of course introduced to take the place of more expensive labour (and to meet a shortage of labour), and in order that rationalisation should reduce costs of production. If the cost of production be reduced while the price of the product remains unchanged, the result for production is the same as a rise in price when cost of production remains unchanged, since the difference between the two represents the motive of profit in the product. A reduction of the cost of production while price is unchanged extends production which, it is true, in its turn reduces the price, if it is to have a complete market and consumption to the point of a balance between production and consumption. It is a matter of indifference whence came the reduction of cost of production; two commodities, of which one has rationalised and reduced cost of production, and the other has not, but both of which are sold at the same price, resemble in the extent of their profit-earning and production two commodities of which the one is more fruitful than the other. Thus, as work is carried out more intensively on more fertile soil than on less fertile soil when prices are equal, so must a general reduction of the cost of production, prices again remaining unchanged, generally intensify production and make more extensive the cost of production. A demechanisation of agricultural output which would increase the cost of



production would thus not only increase consumption of agricultural produce by the agricultural element whose numbers would grow, but at the same time the lower profits would cause a decline in the intensity of production, and in productivity in proportion to the soil. *Persons living on agriculture would be more in number but what would remain to them as income from production would be smaller, since, prices remaining unchanged, the profits of their production per unit of output would (through the increase in cost of production) decline, and the total production would also decline as a result of the reduction in the intensity of production.* We should arrive at a like result if, costs of production remaining unchanged (without demechanisation), *we reduced prices*, since a decline in prices would also reduce the profits and the extent of production, but it would increase consumption (without us having at the same time done away with the agricultural machinery industry).

In one place the programme speaks of persons *formerly employed in the agricultural machinery industry*, and in other place of the *present unemployed persons* going into agriculture—which is not the same thing. That it would be necessary to place labour on the land by compulsion if, while unemployment prevails, there is a lack of labour on the land, is obvious from the fact that the programme (5) calls for State assistance, that is, compulsion, a procedure that is in harmony with the solidaristic conception of the programme.

Finally it is necessary to point out that reduced pro-

ductivity (the result of demechanisation of agriculture) *cannot be increased by employing more persons on the land*—as the programme assumes—since productivity (like the extent of production in relation to a unit of soil or unit of labour) depends on profits which cannot be increased by going back to substitute dearer manual labour for the cheaper work of machinery.

#### 4. *The Social Classes*

a) *Traders* (including perhaps the farmers). The programme is “*opposed to everyone who supports the ideal of great undertakings in economic activity (11)*”. Our economic order will never be one that wishes to tether all the workers to *soulless levers and machines*, for that would destroy all that is dear and traditional (13). In Russia, it is said, the huge agricultural concern has destroyed village society. The big concern draws people from the country and crowds them together in the town, disintegrating family and national ties. The worker—severed from family ties, reduced to a mere machine, lives with strangers (13). It is the good fortune of the Germans that the workers stood out against this capitalist and Marxist ideology. “We have to thank the sound instinct of our farmers and workers that they followed the men who perceived this menace to the German nation, and who desire to save that nation from destruction, and lead it to new advance” (13). Just as the programme is opposed to *big undertakings in industry* which are criticised because, it is said,

they desire freedom for the trades and compulsory syndicalisation, so it is also against the *big undertakings in trade* (big stores) and against the *mammoth cooperative societies* (which it again accuses of Marxism (8), and against *shops with uniform prices* (also because they sell foreign goods (19)). The programme is opposed to *rationalisation by means of machinery* because it reduces work from *Handwerk* to *Handgriff*. It is not told us, however, how this hostile attitude is to manifest itself in practice, whether the big enterprises, machinery, etc. are to be prohibited, or what. Sympathetic to everyone will be the tone in which regret is expressed at the disintegration of the old social forms of the village, the family, etc., through the advance of modern technique of production, transport, etc. But it is not merely machinery and the big enterprises, it is also the railways and other means of communication which are concentrating the population in the big towns, etc.

This *negative* attitude towards big enterprise and rationalisation by means of machinery which the programme declares to be an expression of German Socialism (11) leaves us to assume a *positive attitude towards the small-scale production, the small trades, and the output generally for which the middle class is responsible*. The programme approves of the trades movement (7). Alongside the man on the land, the man anchored in some trade (the reader should note the repeated circumlocution: why not say trader?) is also a reliable support of his nation (in what sense?). Therefore, it regards it as good fortune that in the face of all assumptions

„sinnerfüllte Arbeit“ has been maintained in agriculture and in the trades in distinction to the big concerns where *Handwerk* has been reduced to *Handgriff* (the same poetical style, delighting in antitheses, figures of speech, etc. (13). For both groups work has a vivid sense (9). Here again the work of the medium and small man of enterprise is justified by its moral relationship to labour. The programme welcomes the fact that modern technical progress (electric motor) has enabled the small trader to enter upon new competition against industry. But from all this is deduced merely the fact that it is essential to strengthen the hand of the small trader and artisan (7), that “we would not like to lack the small trades system in favour of an exclusive use of big industrial enterprise” (21), and that “*the trades and industry must in future stand on a good mutual footing* (7). This is indeed little; to flatter oneself with large numbers of small and medium producers, to drop tears over vanished forms of society—and the conclusion? *Good* relations between the trades and industry! That is in sooth but little of the preceding standpoint.

To the middle class pertains also the merchant, who takes rank with the producer and the consumer as a regulating factor (regulator—Regler, a new expression à la Spann). Between them there was always a struggle; in a healthy system of economy (that of German Socialism to wit!) they must be in *correct relation to one another* (8). What, however, is this “correct relation”? Of that we learn nothing, we hear merely that this relation between producer, consumer and



merchant is disturbed by *the producer in the form of big production concerns*, by *the merchant in the form of big commerce* (the programme assigns both to the realm of capitalism) and by *the consumer in the form of the big cooperative supply societies* (which the programme attributes to Marxism). The dislocation occurs because in this way some group or other acquires a monopoly position (3). In short, *concentration causes dislocations of the correct relation between producer, consumer and merchant*. Are these changes on the path of economic evolution to be checked? Nothing is said on this point, but I should not wonder if the authors of the programme should say they are, after what we have seen as to how the relations between agriculture and industry are to be adjusted, namely, by *derationalisation*.

The position of the middle class is thus justified *not on economic lines* (opposition to individualism), or from the social angle (equal incomes), but from the *ethical* (*sinnvolle Arbeit*), and from the *ethnical* standpoint (the catastrophe of the old forms of society). As to the means for maintaining the middle class nothing is said. Only the attitude to middle-class work is depicted with the meagre outcome that the relations of trades to industry must be *good*, and those of commerce to the producer and the consumer *correct*.

b) The *workers* (*vom bedürftigen Menschen*—needy persons). The scattered ideas of the programme relative to the workers may be summed up in three groups: the question of *working conditions*, the question of *collective agreements*, and



the question of *wages* (a supplementary idea is that the unemployed should receive relief in kind to be supplied by the farmers instead of taxes). Of the *working class as such* nothing is said, in particular there is no mention of its *function in the nation*. In speaking of the work of the farmer and the tradesman and artisan it is said that the nation finds support in them. "Alongside the man on the land, the man who has a trade of his own is also a reliable support of his nation" (7). His work is *Handwerk*, but what is to be said of the workers in big undertakings where work has already become mere *Handgriff*, and ceased to be „sinnreich“ as the work in agriculture and in the trades is declared to be? Are these workers no longer reliable supports of the nation? Since the fact of the trades being such a support is the reason why the programme is opposed to the big enterprises, a *teaching which (according to Spann) is wholly built up on the functions of the individual groups* (classes may not be said as that would be Marxism) *ought not to be silent about the function of the working class*—unless we can regard the heading of the relative paragraph in the programme: „*Vom bedürftigen Menschen*“ (needy persons) as the expression of that function.

As regards the question of *wage conditions* this is a problem which, the programme says, is a heritage from the capitalist order, and which therefore continues to exist between the employers and workers who belong to the national community according to the new programme (14). The programme states, it is true, that the capitalist system has left us

the wage problem (Lohnfrage), but that is only a special problem of the wage conditions of the workers in the labour process. Further on it is said: "In so far as we must still drag along with us this unhappy heritage from the days of liberalism . . ." (14); this apparently refers to the mercenary relationship of the worker. The question is, how does German Socialism design to transform this mercenary relationship, and link the worker up in some other manner to the labour process. In a national cooperative system and one of complete solidarism there would be no working class in the present-day sense; the whole nation would as against the State occupy the same position in labour as the participant in the national cooperative system with a right to work, or the participant in State solidarism with the duty to work and the right to existence. Both these systems would eliminate wage relationship in the capitalistic-individualist sense, and would arrange the worker like all the other participants in the process of labour according to the same principle.

Does German Socialism also design to do away with this wage relationship and put some other in its stead? It would seem so when we read that in the whole State and in all the sectors of the industrial system "the Party will see to" securing such working conditions as regard each individual as a man and set him to work according to "*what he can do*", *according to his powers* (seinem Können gemäss). "The worker engaged in industry must be treated as a collaborator" (14). The first sentence answers to *solidarism* (distribution of work

according to capacity, while the second answers to the *co-operative* system) collaborators, not workers engaged with employers. It is further said, as already stated, that "Social legislation must take as its starting-point the right of every individual to work (which smacks of the national cooperative system), and that "from this fundamental standpoint there issues for every member of the nation and citizen the right to a life worthy of a human being" (which smacks of solidarism) (15). It would not appear, however, that it is seriously meant to put either the one or the other into practice. In the first place it would not be possible to transform the working system *solely in the industries to the exclusion of the trades and agriculture*; nor can it be seen why the worker should not there too participate in the improvement of his working conditions. We know further that the existing wage relationship issues from *capitalist individualism* and from the *system of enterprise in production*, and that the elimination or change of it in favour of a cooperative or solidaristic relationship means the *elimination of capitalism* and the *complete cooperative system, or complete solidarism*—which in its turn necessarily calls for collectivism. In the general part of the programme, however, we have seen that German solidarism is *opposed to collectivism* and thus to a consistent cooperative system and complete solidarism under which alone it would be possible to establish a right to work, and to change the wage relationship into a cooperative one, or, under which it would be possible to establish the right to existence and to

allocate work according to capacity. In partial solidarism, such as is the German solidarism of the Sudete German Party, and which is erected on still-preserved capitalism this is impossible, and this capitalism, even though "socially bound" will continue to the end of the development (8). Moreover, if the capitalistic wage relationship were to be really eliminated and replaced by a cooperative or solidaristic relationship *by the State*, why should it be necessary, against those who would wish to mar that process, *to place oneself at the head of a procession of smelters and workers in big undertakings* (14). This revolutionary determination is not in harmony with the intention of not doing away with either capital or wage relations.

In reality it would seem that the issue is not the transformation of the working system by law and by the State but a *change of psychology in respect of a still preserved wage relationship*. "It is essential to humanize (*verinnerlichen*) by degrees the soulless and insensible mechanism produced by the opposing camps of employers and employed, and to make of these all-too antithetical (*gegensätzlich*) links economic organs of the national community, which will work successfully together" (14). "Our employers and our workers *must learn to understand one another, to respect one another, to collaborate as closely as possible*, since they are engaged in a struggle on soil where it is a matter of the substance of Sudete German economy (10). This change of psychology is to be *attained even by means of terrorism* ("We shall march . . ." (14).



As regards the actual wage question (*Lohnfrage*), the programme first of all expresses itself on the wage *method*, that is to say, it is *against piece-work wage and the Stachanov system* (Akkordlohn ist Mordlohn) (12), but it draws no deduction from this to the effect that the method should be forbidden, or the like. Of the *rate of wage* it says: "We shall see to it that a wage shall be *within the capacity of the economic system to pay*, but that it shall also be *just* for the worker whose sole wealth it is (14). A more globular or attractive expression for satisfying employers (within the capacity of the economic system to pay) and workers alike (justice) it is impossible to find. And where will the Party apply the lever to set such an adjustment of wage in motion? Is the State thus to lay down standard wages? If not, where is the guarantee for observing the standards? Moreover, what is a just wage? One worker will say that it is *just* that a worker should get the full yield of his work (that is, that income not derived from work should be abolished), while another will say that wages should always be graduated according to *objective requirements* (according to the number of the worker's children, etc.). What is the "capacity of the economic system to pay"? Prices remaining stable, it is determined in an enterprise by the yield of that enterprise, but is it not possible to increase prices? Higher prices, it is true, restrict sales and the capacity to employ workers. But it does not seem that the programme means an adjustment of wages on these "principles" by the State authority, for the programme lays stress upon



*collective labour agreements*, and therefore threatens those who “screw down” wages (apparently below the level required under this principle) with being placed “outside the pale of the national community” (14)—again a case of *social terrorism* instead of legal compulsion.

Collective agreements for labour are, it would seem, the aim of the programme. The Party will energetically put down the non-observance and undermining of collective agreements. It thus stands *for their binding character*, but this is seen to by the State, and it is not necessary that offences should be energetically dealt with by the Party. *The Party wants to be, alongside the State, a sort of factor of the national will and of compulsion—a standing element of revolution.* Indeed, the programme not only desires that working agreements shall be binding but that there shall *be introduced a general obligation to conclude working agreements* (14). On this point it is necessary to reflect a little. How is it possible to conceive of compelling two parties to come to agreement? The duty to make a contract of agreement is either impossible as a conception, or contract and agreement are not free and not agreement. In law it would be impossible to lay down such a duty; it would be possible to say that if no agreement be come to the standard laid down by the State shall take the place of contractual relations, but that is all. In the background there is always in view some *psychological terrorism on the part of the Party*.

It remains finally to mention the idea that *taxes should not*

*be collected in money from the farmers for the relief of unemployment* in such a way that the farmers must sell their produce to pay taxes while employed persons are compelled to purchase these products from third parties and at higher prices, but that *the farmers should pay their taxes direct in kind for the unemployed*—a course which would make it possible to reduce also the burden of taxation weighing on agriculture. This idea is brought forward as an example of the new *closer bond between the individual and the community as a whole* (16). This is not, however, a question of *new social relations* but a pure question of *technique*. It might equally have been demanded that the farmers should in this way contribute to the sustenance of the State employees. This were perhaps possible in a closely circumscribed area, within a parish for example, but not in a State with an economic monetary system. Perhaps it might have for the Sudete Germans that favourable result mentioned in the programme, namely, that they would not have to purchase with their taxes food supplies for their employed from distant agricultural areas peopled by another race (16)—but nobody compels them to do that now. Moreover, if the Czech farmers contribute to relief for the German unemployed—which the programme does not exclude—it is difficult to see why the German unemployed should not buy foodstuffs from them. They are not making them presents by doing so. When the programme goes on to proclaim as a further advantage of its idea that “*in this way closer contact would ensue between the farmer and the unemployed*” (16) it is

to be doubted whether such contact would be in the interests of the unemployed.

## 5. *Public Finances, the Currency, Financial Capital.*

### a) *Public Finances.*

The programme regards the system of public finances "as a link that serves production, and we naturally cannot therefore acquiesce in financial experiments and theories which lead to the drying up (Verdorrung) of economic activities, to permanent distress and unemployment..." "Finance and currency have the same duty as the other links in the economic chain...", they, too, must be ready with their reserves (auch sie müssen mit Reserven einsatzbereit sein) (28). Finally the programme is against all orthodoxy in the field of finance and currency.

This is all that German Socialism has to say to the finance system. It is extraordinary that a Party which takes *solidarism as its ideological basis* should display so little interest in public and especially State economy, the essence of which (covered by taxes) is solidaristic and steadily advancing. It is all the more extraordinary that the programme looks upon this economy through the spectacles of *individualistic capitalism and of the enterprises*, that is, from *the angle of how the financial system serves or harms production*. According to this, that system of finances would be best which weighs least

upon enterprises and production, and what it gives would be given to support production.

State economy, after all, directly produces the same ideal of the life, health and culture of the nation as is the guiding star and supreme aim of German Socialism—of the Sudete German Party. It secures its means from the individualist economies subordinated to it (it effectuates solidarism only partially), so that the harm (cost) measured according to the guiding principle of life, health and culture shall be minimum, and the benefit (measured by the same criterion) shall be maximum. Solidarism in State economy dominates its own individualistic basis, but if individualism and solidarism are in equilibrium in the State the solidarism of State economy takes care not to disintegrate its individualistic basis. The financial system of the State, however, even if it does not wish or intend, in the interests of productivity, to disintegrate and swallow up individualistic-capitalist production *is not a mere means serving that production* a means that draws its value (positive and negative) merely from the extent to which it influences production.

This attitude of German Socialism to State economy is *more an expression of opposition to collectivism than an equally emphatic opposition to capitalism*. This is the spirit of individualistic capitalism which in this place emerges most clearly from the programme.

It is a pity that the Party has not devoted more fundamental notice to the problem of State economy, since it



would have found therein also a key to minority problems. After all, in an individualistic State, which takes care only of communications in the actual and figurative sense of the word among individuals, and which looks after itself, the nationality problem could in a State inhabited by several nations find its solution solely in the individual national right in the interest of "communications", namely, in language rights. The State in this case does not recognize any relation to national entities but only to individuals, and whole nations as entities cannot be juristically incorporated in the State structure. As soon, however, as the State conceives of its population as an entity it makes it the object of its care in the direction of the ideal of life, health and culture, unites the strong, upon whom the taxes heavily fall, with the weak whom it assists with the object of a balanced development of the whole—and the nationality problem gains a different and new content. For if such a State with an advanced system of solidarism is inhabited by several nations a minority nation realizes that in the conception of the State its body national fuses with the body national of the majority nation into a single body which is the object of the care of the State in the direction of the ideal of life, health and culture, but that—even if this total body develops in ideal fashion—it still has no guarantee that this will be the case in regard to the minority body national. Besides this, psychological willingness is necessary for solidarism (contributions by the rich for the benefit of the poor), and it is only natural that there is more



of this willingness within one and the same nation than outside its framework. All this leads to the conception of a minority body national, to efforts for its healthy development, to efforts to prevent it being thrust into the background by the majority body, to erecting barriers between the all-State solidarism and the solidarism of the minority, to having the minority nation incorporated in the State as an entity and enabling it to decide upon its own fortunes (autonomy, etc.). Thus arises the *social rights of the nation* (as distinct from individual rights). *Territorial* frontiers are sought, although frontier demarcation produces new minority problems on both sides, and alienation of both territorial parts. Frontiers are sought *cutting across the population* (register of persons), although this gives rise to insuperable administrative difficulties. If it is remembered, however, that it is precisely the *solidaristic economy of the State that causes the rise of the social problem of nationality*, the thought at once occurs to seek the demarcation of quotas of allocation in the State Budget in so far as that Budget does not apply to the whole country but only to local and personal cultural objects, etc. This method would harmonize the autonomistic interests of the minority with the territorial entity and unity of the State. It is a pity that German Socialism looks at the finance system solely through the spectacles of individualistic capitalism.

This, however, is already the real minority economic problem of which we shall speak separately. What is said further in the programme about finances (and also the cur-

rency) to the effect that they have the like duty as the other links in the economic chain—, „auch sie müssen *mit Reserven einsatzbereit sein*“,—is simply ununderstandable (28). This is the language of the totalitarian theory. National economy is an entity, and everything which it includes are “links”. The links are subordinate to the whole system, and thus have “duties” to the whole. The furnishings of a room also represent an entity, and each piece contributes to the total effect, but one cannot speak of duties. *Duties do not issue from the fact of entity.* All the economies surrounding a market constitute a society that buys and sells, a unity and entity of parts that hang together and are independent upon one another (distribution of labour and exchange of commodities), without it being possible to say that an individual economy has any duty to serve the whole. Only from the solidaristic conception of State policy which the State conducts through its juridical and economic order, can such a duty issue for all economies and for all subjects subordinated to the State authority. To say of finances that they have a duty like the other links is impossible; the State economy serves directly the solidaristic aim and has direct and higher “duties” than have private economies, for is it not the direct organ of solidarism?

The programme rejects all *orthodoxy* in the sphere of finances (28), as well as all *experiments*. Contrasted with a conservative policy we have here opposition to orthodoxy, against new ideas caution in regard to experiments. The

thesis, however, that the programme is innocent of all orthodoxy is unwise, if its content and truth are not enquired into. In the form in which these sentences on orthodoxy and on the "duty" to be ready with their reserves (mit Reserveneinsatzbereit zu sein) are presented they have really only a decorative sense.

### b) *The Currency*

We have seen that the programme rejects all orthodoxy in finance, that it also rejects it in respect of currency (28). It therefore adheres to the currency theories which often were put forward especially during the World crisis. Some of them repudiate gold cover, others recommend the financing of productive investments by the printing of banknotes, others again wish to see some sort of Gesell „Schwundgeld“, and so on. The programme, it would seem, has in mind the doctrine of the gold cover of banknotes. This doctrine, it is said, does not, as has been proved, serve the domestic currency but the profiteering interests of foreign financial magnates. These doctrines serve those magnates? Perhaps the gold cover does! But the gold cover serves "domestic currency", that is, the currency at home to a minimum extent, it serves for the balancing of international payments, and therefore for the maintenance of the exchange rate in relation to foreign currencies. The contention that the exchange rate can be maintained without gold is correct, and applies to States which say that they pay to foreign countries only so

much as foreign countries pay to them irrespective of their debts, but this, after all, is no juridical and normal state of affairs. Money, it is said in the programme, must not be anything but a symbol of society, a symbol which draws its value from the quantity of commodities which society is continually creating (28). That, translated from totalitarian language, probably means that the programme expresses itself in favour of a *nominal currency*. Of course a nominal currency—its unit—draws its value not only from the quantity of commodities that are being continually created, since the value of money would have to grow with the growth of production, *but also from something else*. The value of money is a miniature standard of living, it is the quota of national production determined by an *economic figure* (the national income)—but that is beside our argument. In so far as it is said of currency that it must also be ready with its reserves (mit Reserven einsatzbereit) this is still more difficult to understand than it was in the case of the finance system (currency is not economy and has no subject, it cannot have duties); perhaps it is to be understood figuratively in the case of a currency administered in orthodox fashion so that it still has reserves in its gold cover, but spoken of a currency which according to the programme is merely a symbol it is difficult to understand how it is to be „mit Reserven einsatzbereit“. Perhaps the matter is to be understood that even currencies can be used otherwise than as mere instruments of exchange, as is done by the individualistic-capitalist system, namely, for



purposes of the finances (to meet deficits), for stimulating economic activities (financing investments), and so on, as is permitted from the solidarist angle without regard to the fact that thereby the currency is depreciated; perhaps the reserves which the currency has the duty of applying like the other links in the economic chain consist in the fact that the currency still has some value. In this case, of course, disposal would not be made of the reserves of the currency but of those of the citizens.

### c) *Financial Capital*

Financial (creditors') capital is that of which the programme states . . . "we shall in determined fashion fight the type of capital that thinks day and night merely of its own advantage and not of its function and service for the community". The saver calculates what he has saved and what interest his savings will bring him, and does not consider who will utilize his money in "service for the community" (17). It would not seem, however, that the programme desires passionately to eliminate this institution of capital creation. From the attitude adopted towards financial capital no deductions can be made, and what is subsequently deduced about financial capital does not issue from that attitude.

It is said in the programme, for example, (17) that financial capital is a *power* which is formed from tiny springs that combine in a vast flow. Two things are then demanded: On the one hand that *depositors should have proportionate*



*influence upon the use made of the money in the bank to which they have entrusted their deposits, and on the other hand that the Sudete Germans should have an influence upon the use made of the money which issues from the Sudete Germans, but flows into the commercial banks or the financial centres (Rediscount Institute, the Central Bank of Savings Banks, Social Insurance Institute, etc.) which the Germans themselves have no hand in the management of. In these cases they demand proportional influence in the management, but that again is an economic question of the minorities. In so far, however, as the programme demands a joint power of decision for depositors in the disposal of the deposited monies there would have to be carried out as the logical deduction of this change in the purely credit relationship of depositor to the relationship of joint undertaker a change also in the responsibility for loss and profit.*

Finally, it is necessary to point to a passage that is difficult to understand (17): "We desire to withdraw a considerable amount of financial capital from competition and the money (capital) market for the Sudete German economic system". Does not this refer to the operations of the Kreditanstalt der Deutschen?

## *6. The Economic Problem of the Minorities*

No systematic statement is made about the economic problem from the standpoint of a minority nation. In various places reference is made to injury done to the Sudete German

economic system by the Prague Government. This economic system, it is said, continues to be harmed by the *economic, financial and currency* policy of the State (27). "From Prague air and sunshine is denied the Sudete German economic forces" (29). What Czechoslovak economic policy has harmed Sudete German economy? That economy is characterised by the circumstance that it has a great preponderance of glass, textile, chemical, soap, dyes, paper and other industries that operate largely for export trade. In the great world economic crisis when export was checked by the efforts towards self-sufficiency made by certain countries (and the programme of the Sudete German Party reckons with those efforts as with inevitable fate) it was particularly these Sudete German export industries, concentrated in the mountainous districts close to rivers and forests, that were adversely affected. The Czech export industries were equally affected, but the proportion of these industries is larger on the German side, and therefore the crisis was felt relatively more seriously there. Was that a consequence of Czechoslovak economic policy? Indeed, in fixing quotas for exports to Germany the Sudete German exporters were frequently given preference by Germany.

Possibly Czechoslovak agriculture might be reproached with tending to self-sufficiency and thus militating against industrial exports to the agricultural countries that formerly purchased more from us formerly and now purchase less because they have not the money to pay with. This, however,

was done equally by German and Czech farmers, and the programme itself, not wishing to undo the matter, wishes to derationalise agriculture. Can it be said that the German districts are less equipped with roads, railways, electrification, waterways, etc., than are the Czech districts? The opposite is the truth. How then has economic policy injured the economic forces of the Sudete Germans? The one justified complaint might consist in asserting that formerly the German element had not been taken into the State services in due numbers, but this is now being rapidly remedied. Equally difficult would it be to show that *finance and currency* policy harms the Sudete German economy. In March 1938 the Minister of Finance, speaking in Parliament, showed how unjustified these complaints were, and that the country's finance policy was free of all political, and thus national-political, influences. It is not clear to me how our *currency* policy for the past four years during which I have been responsible for it, can have harmed the Sudete German economic forces. I carried out the devaluation of the year 1934 which opened up paths for the export industries, and thus the Sudete German industries first and foremost, *against the vote and pronouncements of the German industrialists*. If anyone complains about exchange restrictions it is necessary to answer that *these restrictions do not apply at all to commodity trade* but only to the export of capital; the restrictions and severity of the regulations in this matter are incomparably greater in neighbouring Germany. That our currency

policy is continuously harming Sudete German economic forces is thus a false accusation.

It would, however, be desirable to collect all these complaints about the Sudete German economic system being injured by our economic, financial and currency policy, and examine them expertly from an unbiased angle.

As regards the "maintenances (Wahrung) of national-political interests in the economic sphere", it is demanded only in summary within the Czechoslovak domain (Herrschaftsraum), that economy should enjoy its rights as in all other sectors (29).

In the matter of *planned economy* it is mentioned (23) that in a racially mixed State (Nationalitätenstaat) legal assurance is needed that planned economy shall not be exploited in favour of one nation at the cost of another. We have already pointed out that the programme of the Sudete German Party pays practically no attention to State economy and looks at it only through the spectacles of capitalistic enterprise, and therefore does not see the minority economic problem in this sector. That is all the programme has to say.

### C. GENERAL CHARACTERISTICS OF THE ECONOMIC PROGRAMME OF THE SUDETE GERMAN PARTY

The programme of a party may be likened to the mentality of a man. If we are to negotiate with a party (or an individual), we must know its "mentality"; if we know it we know how



the party will conduct itself in each case, and in what direction its endeavours tend. We have endeavoured faithfully and objectively to reproduce and critically to elucidate the contents of the economico-political trends of the mentality of the Sudete Germany Party, trends which, taken in their entirety, the Party itself calls German Socialism. On that side our labours are finished.

We are here concerned, however, with something further, something which lies outside those *contents*, something which I would call *the method of thought* of that Party in so far as its economic programme is concerned. And here I must say that in this programme I have met with a method of thought, a spirit, which is *peculiar and very alien to us*. It would seem that in this programme the matter at issue is not economic demands, supported by argument and gathered into a system, but *dynamism*, a *movement* with strong sentiment as its basis, a movement with equally *revolutionary and conservative psychology*, a *religion in which* nationality is worshipped as a deity, but which is otherwise very accommodating on all sides. In every movement and religion *the factor of sentiment dominates over that of reason*. This is obvious in all points of the programme. Particularly it is so in the circumstance that *the programme does not at all seek to put forward a system* — the first matter in every objective, scientific process — nor does it seek *scientific objectivity and truth* whether it be *criticizing other systems and opinions* or dealing with its *own positive contents*. The preponderance of the sentimental



side is shown in the passionate tone employed against those who *oppose* the programme, and at the same time in respect of what it *upholds*. The element of sentiment is strengthened by a *poetical style*, especially figures of speech, flowery terms, and the like.

*There are further evidences that it is a matter of dynamism, of a movement, of a religion.* It is not merely a matter of getting the many persons who adhere to the Party to take their stand for realizing certain demands and ideals, it is a matter first and foremost of *changing the mentality of all these persons*. The programme emphasizes *self-improvement*, a humanising (Verinnerlichung) of labour conditions, a psychic change in the views of employers and employed, it hammers in (ein-hämmern) certain views, continual regard for the interests of the community, etc. As the close it says (30):

“We do not wish to make merely a passing (flüchtig) impression with these principles. Our aim goes further. We wish to attain it with all the dynamics of our movement. Translated into the speech of the farmer, the trader, the merchant and the undertaker: we make these directives „zum Gemeingut des Handelns unserer Volksgruppe auf den von uns herausgestellten Gebieten“ (the common property of the activities of our national community within the territories assigned us). Then will our standpoint towards the sense of economy be anchored in the hearts and souls of millions. „Wenn wir dann diese geballte Kraft wirtschaftlicher Ueberzeugung aufrufen, so müsste der des Teufels sein, der uns

den Lauf wollt hemmen“. (When we then evoke this accumulated force of economic conviction the man must be the devil's very own who would check our course).

As a movement it makes its appeal to the broad masses whom it wishes to win over by fair means or foul. To this end it makes use of the motive of *national solidarity* which to-day is most effective, but at the same time *it avoids the unpleasant results of complete solidarity, it is opposed to collectivism and for the right to work and right to existence*, it supports all *movements that have a large following* (the middle class, the workers), it chooses elastic and comprehensive expressions (good, “correct” relations, “just” wage, etc.), *it appeals to the sentiments of the broad masses* by its passionate tone, its flowery language, and by its respect for the old ethnical forms, etc. It seeks the “truth of a large number”.

It is a movement, however, which *despite several conservative aspects* (against big undertakings, for the small trades, against the disintegration of traditional forms of society) is *a revolutionary movement*. First and foremost it is so *in its views*. It rejects all orthodoxy in finance and currency irrespective of truth. It is *revolutionary in speech and in its methods*. We have read the close of the programme, and we recall the expression “Let us march at the head . . .” It is revolutionary in its sanctions against opponents, against those who stand aside or who do not keep its principles (remember its expression about the non-observance of collective agreements, etc.). But the movement desires to carry

out *its own* sanctions even if the State has not accepted this or that institution (the binding character of collective agreements) into its legal order. Alongside the power of the State authority to exert compulsion *there is thus to exist a sort of party power exerting compulsion on the State*. There is thus to be a sort of *standing revolution*.

In view of this ideological or rather sentimental character of the movement which represents the "German Socialism" of the Sudete German Party *negotiation are faced with immense difficulties, and still more difficult is agreement on any problem*. In a democratic State which has individualism as the basis of its economic order this solidarist totalitarian movement, dominated by the one factor of the will of its leader, is a constant anxiety for the State, since it is *an organism wholly alien in its mentality*.

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